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Introduction

"In truth, literature, in science and in art, there are, and can be, few, if any things, which in an abstract sense are strictly new and original throughout. Every book in literature, science, and art borrows, and must necessarily borrow, and use much which was well known and used before."

–Supreme Court Justice, David Souter[1]

"It was an ingenious idea, and one that played so dangerously close to the third rail of copyright law that it was sure to get shut down eventually."

–Joseph Patel[2]

The whole controversy began innocuously enough. The hip-hop artist, Jay-Z, took the unusual step of releasing an *a cappella* version of his latest record, *The Black Album*, in hopes that other Disc Jockeys ("DJs") would mix the lyrics with different beats, which in turn would hopefully raise the status of his own album.[3] Brian Burton, better known to his fans as DJ Danger Mouse, answered that call, mixing Jay-Z's lyrics with music from the Beatles' self-titled album, popularly known as *The White Album*. Burton's album uses the full vocal content from *The Black Album,* with all the music being "traced back to *The White Album*; every single kick, snare and chord is taken from the original Beatles' recording."[4] Intended as a promotional work, Burton titled it *The Grey Album* and produced approximately 3,000 copies in early 2004 under his label Waxploitation.[5] A few record stores quickly began distributing the album, but most discovered the album on the Internet through filesharing systems.[6]

1. Madeleine Baran, *Copyright and Music: A History Told in MP3s*, *at* http://www.illegal-art.org/audio/historic.html (last visited Mar. 10, 2004) (quotation unattributed to a particular source in the article).

2. Joseph Patel, *Producer of The Grey Album, Jay-Z/Beatles Mash-Up, Gets Served*, *at* http://www.mtv.com/news/articles/1484938/20040210/jay_z.jhtml?headlines=true (Feb. 10, 2004).

3. *See* Noah Shachtman, *Copyright Enters a Gray Area*, *at* http://www.wired.com/new/digiwood/0,1412,62276-2,00.html?tw=wn_story_page_next1 (last visited Feb. 14, 2004).

4. Waxploitation News, *Danger Mouse Responds to Controversial 'Grey Tuesday,' at* http://www.waxploitation.com/html/news_greytuesday.html (last visited Mar. 6, 2004).

5. Waxploitation News, *DangerMouse–'The Grey Album,' at* www.waxploitation.com/html/news_danger%20mousegreyalbum.php (last visited Mar. 6, 2004).

6. *See* Shachtman, *supra* note 3.

The album, dubbed an instant classic, garnered rave reviews from such notable critics as *Rolling Stone Magazine* and *The Boston Globe* as an "ingenious hip hop album that sounds oddly ahead of its time" and as the most "creatively captivating album of the year."[7]

Burton, however, never asked for permission from any of the copyright owners of the underlying works to use their music. Jay-Z and his label Roc-A-Fella records released the *a cappella* version so that others could sample his music and have not pursued any action against Burton thus far. However, EMI, representing Capitol Records, the owner of the Beatles' sound recording copyrights, and Sony/ATV Publishing, owner of the compositions on *The White Album*, sent Burton cease and desist letters, claiming he was infringing upon their copyrights. Burton immediately complied with their request; however, the public's response was not positive.[8]

"Music industry and intellectual property activists went ballistic, [claiming that EMI's] actions [were] a sign of everything that's wrong in the American copyright system."[9] For many, EMI and Sony/ATV were using copyright law like a "sword to ban a work of art."[10] The cease and desist letters were seen as an example of how the major labels in the music industry use copyright law as a means of exerting control over what music can be created and released so as to best serve their own interests.[11] Some even viewed it as a blatant example of rampant corporate greed in the music industry, claiming that labels do not pursue legal action as long as the artists only release the remix underground and do not widely distribute it; but, if people are trading the album all over the Internet, the label will pursue legal action.[12]

Based on these concerns, the organizers of the Downhill Battle website, *downhillbattle.org*, organized a protest known as Grey Tuesday as a means of drawing "attention to how the major labels stifle creativity and try to manipulate the public's access to music."[13] The protest was intended as a "day of civil disobedience to protest EMI's cease and desist order against *The Grey Album,* as well as a

7. http://www.greytuesday.org (last visited Mar. 6, 2004).

8. *See* Shachtman, *supra* note 3.

9. *Id.*

10. *The "Grey Album," at* http://www.downhillbattle.org/node/view/174 (Feb. 11, 2004).

11. *The Stifling Copyright Cartel, at* http://www.downhillbattle.org/node/view/220 (Feb. 17, 2004).

12. *See* Shachtman, *supra* note 3.

13. *Danger Mouse Responds to Controversial 'Grey Tuesday,' at* http://www.waxploitation.com/html/news_greytuesday.html (Feb. 23, 2004).

broader protest against major labels' attempts to control what musicians can create by limiting their use of samples."[14] The organizers at Downhill Battle feel that Burton's album is one of the "most respectful and undeniably positive examples of sampling" that honors both Jay-Z and the Beatles, but that the record labels are ignoring good music that is being created and "are so obsessed with hoarding their copyrights that they are literally turning customers away."[15] Grey Tuesday organizers felt that the protest was the perfect opportunity to educate people to the fact that nothing short of a clear legal codification of the right to sample music will solve these issues.[16] Grey Tuesday occurred on February 24, 2004; more than 170 websites posted *The Grey Album* in its entirety so that people could download it for 24 hours; many college and noncommercial radio stations also played the entire album on the air.[17] The protest occurred despite many websites receiving cease and desist letters, as well as one ISP receiving a DMCA take-down notice from EMI and Sony/ATV lawyers.[18]

Due in large part to limited number of copies released, and since Burton complied with the cease and desist letter, it is unlikely that Sony/ATV will pursue any further legal action regarding *The Grey Album.*[19] However, Congress has not yet completely addressed the laws surrounding sampling of music and situations like the one involving *The Grey Album* continue to occur. While further legal action against Burton will not likely occur, there is still a possibility that Sony/ATV and EMI will pursue future actions against the Grey Tuesday protestors. This paper will therefore utilize the situation surrounding *The Grey Album* to address these concerns, which continue to have a relevant impact on the music industry, especially in the hip-hop genre. Part One discusses the infringement claims revolving around *The Grey Album* and predicts the outcome had the case gone to court under the current law. The paper's focus will then shift in Part Two to the Grey Tuesday protest and whether the protestors infringed EMI and Sony/ATV's exclusive distribution and

14. *Id.*

15. *Historic Online Protest, at* http://www.greytuesday.org.

16. *See The Stifling Copyright Cartel, at* http://www.downhillbattle.org/node/view/220 (Feb. 17, 2004).

17. *See "Grey Tuesday" Civil Disobedience Planned February 24th Against Copyright Cartel, at* http://www.greytuesday.org/pressreleases/greytuesday_21904.html (Feb. 18, 2004).

18. *See Incredible Success, at* http://www.greytuesday.org (last visited Mar. 10, 2004).

19. *See* Shachtman, *supra* note 3.

reproduction rights, or were protected under the doctrine of fair use. Finally, Part Three will explore whether current sampling laws are properly advancing the underlying purposes of copyright law in regards to the music industry, as well as explore some proposals for changes in current law.

I. *The Grey Album* Infringement Action

A. What is Sampling?

Digital music sampling (or simply "sampling") is the process of recycling sound fragments previously recorded by other musicians for use in new recordings.[20] At the direction of the artist or the studio producer, a studio sound engineer (or the artist himself) will incorporate short segments of the prior recording, generally in a continuous loop throughout the new song. The process usually consists of three stages: 1) digital recording, 2) computer sound analysis and possible modification, and 3) playback.[21] Once the recording has been changed to a digital format, the sound can be manipulated and altered to produce a desired effect on playback, including changes in pitch, speed, and dynamics.[22] Sampling is a fairly recent phenomenon that originated in Jamaica in the 1960s, when DJs would experiment with portable sound systems to mix disparate sounds into a single work, in a process known as dubbing.[23] As the technology for this practice advanced and newer methods were developed, sampling changed from being merely a performance medium practiced primarily by DJs, to a mainstay studio recording technique that is now so pervasive that many musicians and engineers now regard it as being "indispensable in the music industry."[24] As of

20. 26 AM. JUR. 3D *Proof of Facts* § 537 at § 2, *Digital music sampling defined* (2003).

21. *See* Robert M. Szymanski, *Audio Pastiche: Digital Sampling, Intermediate Copying, Fair Use*, 3 UCLA ENT. L. REV. 271, 275 (1996) (citing Jeffrey S. Newton, *Digital Sampling: The Copyright Considerations of a New Technological Use of Musical Performance*, 11 HASTINGS COMM. & ENT. L.J. 671, 675 (1989)).

22. The complete technical process consists of converting physical sound waves into binary digital code. The sound waves from the recording strike the transducer of a microphone, causing it to vibrate. The vibrations create an electrical signal that changes with the intensity and frequency of the sound waves. It is necessary to convert the analog sound into a digital signal in order for the sound to be captured in a computer's memory. This is done by using an analog-to-digital converter, which measures the voltage of the signal at equally spaced intervals in time and then assigning a numerical value to each sample and storing that number in the computer's memory. 26 AM. JUR. 3D *Proof of Facts* § 537 at § 2, *Digital music sampling defined* (2003).

23. *See* Szymanski, *supra* note 21, at 277.

24. Howard Reich, *Send in the Clones, The Brave New Art of Stealing Musical*

yet, no specific legislative criteria have been developed to govern sampling and most disputes regarding sampling have been settled out of court; as a result very few judicial standards have been set.[25] Due to this lack of legislative guidance, the music industry has responded by developing an *ad hoc* licensing system based on traditional notions of copyright infringement but dependent on the perceived value of the sample (the industry's practices will be discussed in greater detail in Part Three).[26]

To create *The Grey Album*, Burton had to go through a very exhaustive and technical process that he termed a "deconstruction" of the underlying albums.[27] In order to seamlessly mix the music together, Burton first listened to all the lyrics on the *a cappella* version of *The Black Album* and measured the amount of beats per minute of each track.[28] He then went through every song on *The White Album* and looked for all instrumental sounds, which he later used to create the beats for his album.[29] After he had acquired a large enough bank of sounds to work with for each song, he would then start with a Jay-Z track and build the music around it, changing the pitch and speeds and in some cases doubling the sounds up, so that the samples would mesh with the lyrics.[30] The average song on *The Grey Album* uses samples from about sixteen separate tracks from

Sounds, CHI. TRIB., Feb. 15, 1987, § 13, at 8.

25. Carl A. Falstrom, Note, *Thou Shalt Not Steal: Grand Upright Music Limited v. Warner Brothers Records and the Future of Digital Sound Sampling in Popular Music*, 45 HASTINGS L.J. 359, 361 (1994). It is important to distinguish from a legal standpoint the difference between "covering" and sampling a song. A cover is a recording that consists entirely of an independent fixation of other sounds, even though such sounds imitate or simulate those in the copyrighted sound recording. 17 U.S.C. § 114(b). Conversely, sampling does not independently fix the sounds, but rather is created by plugging the actual recording into a computer and using that sound or mixing it with a synthesizer. 26 AM. JUR. 3D *Proof of Facts* § 537, at § 9, *"Covering" distinguished from "Sampling"* (2003). From a legal standpoint, the distinction of independent fixation is relevant in that independent fixation of a recording, as in covering, is permitted under the Copyright Act and is subject to compulsory licensing, whereas sampling is not specifically addressed. *Id.*

26. Nancy L. McCullough, *Making the Case Against Illicit Sampling*, 26 BEV. HILLS BAR ASS'N J. 130 (1992). The system is *ad hoc* since there is no standard formula nor uniform prices agreed upon, leading to a wide array of results and terms in each individual sampling agreement, which is by necessity, since each individual licensing agreement is dictated by the singular results sought for each particular agreement.

27. Corey Moss, *Grey Album Producer Danger Mouse Explains How He Did It*, *at* http://www.mtv.com/news/articles/1485693/20040311/jay_z.jhtml (last visited Mar. 11, 2004). In that article, Burton claimed that he did not just take Jay-Z vocals and loop or mix them with Beatles' music, but actually cut up the songs so that the tracks would mesh.

28. *Id.*

29. *Id.*

30. *Id.*

The White Album, with some songs using samples from as many as twenty-five separate tracks.[31] Since this process broke the music down so much, Burton "decided to begin some of the songs on *The Grey Album* with an unaltered, longer sample from *The White Album* song that provided the primary parts for the remix" on that particular track so that the listener would recognize where the music came from.[32] Burton wanted to make the album "sound like it was really part of the Beatles, like it wasn't just laid on top of it," and that he intended no disrespect to the Beatles' music in any way; as well as to show what someone "could do with sampling alone."[33]

B. The Courts' Current Views on Sampling

While clear guidelines have yet to emerge regarding sampling, there have been some primary cases that have set the stage for current legal views on the issue. In *United States v. Taxe*,[34] the Court found that re-recording of a sound recording violates the Copyright Act regardless of changes in rhythm or speed, unless the re-recording is no longer recognizable as the same recording.[35] While this case dealt with the issue of music piracy, many have analogized this ruling as providing that taking recognizable samples of previously copyrighted sound recordings may also be actionable.[36] Since sampling "entails appropriation of the underlying musical composition that corresponds with the sampled fragment of the sound recording,"[37] the copyright in the underlying musical composition is also affected. The Court in *Grand Upright Music v. Warner Brothers Records*[38] issued the first federal ruling that viewed unsanctioned sampling as an infringement of the copyright owner's exclusive rights. In *Grand Upright*, the court found that failure to obtain permission to utilize the plaintiff's sample was a "callous disregard for the law and for the rights of others" and that the defendant's claim that everyone in the rap industry sampled music without permission was a specious argument and so referred the matter for possible criminal

31. *Id.*
32. *Id.*
33. *Id.*
34. 380 F. Supp. 1010 (C.D. Cal. 1974), *aff'd in part and vacated in part*, 540 F.2d 961 (9th Cir. 1976), *cert. denied*, 429 U.S. 1040 (1977).
35. *Taxe*, 380 F. Supp. at 1017.
36. 26 AM. JUR. 3D *Proof of Facts* § 537 at § 16, *Theory of Recovery* (2003).
37. Szymanski, *supra* note 21, at 299.
38. 780 F. Supp. 182 (S.D.N.Y. 1991).

prosecution.[39] The decision has been widely criticized for "erroneously reducing the entire sampling controversy to the single issue of who owned the copyrights"[40] and for failing "to recognize the significance of the issues at hand and, in so doing, [missing] an opportunity to provide sorely needed legal guidance."[41] Due to the court's "disinclination to discuss applicable standards of law, the potentially landmark decision [is] of little value either as precedent or advice."[42] Despite these criticisms, the decision renders all unauthorized sampling legally suspect and thus susceptible to infringement actions. Under these precedents, if they chose to do so, EMI and Sony/ATV could have brought infringement claims against DJ Danger Mouse.

C. The Infringement Action

While there is some judicial guidance that unauthorized sampling is actionable, the lack of comprehensive judicial and statutory guidance requires parties in each case to argue the facts by analogy to previous copyright infringement actions involving musical compositions and sound recordings. The Ninth Circuit in *Baxter v. MCA*[43] stated that to "establish a successful claim of copyright infringement, the plaintiff must prove (1) ownership of the copyright, and (2) 'copying' of protectible expression by the defendant."[44] To establish copying, the plaintiff must demonstrate "defendant's access to the copyrighted work and substantial similarity of both general ideas and expression between the copyrighted work and the defendant's work."[45] Thus, for EMI and Sony/ATV to prevail, they must satisfy both prongs of the test laid out in *Baxter*.[46]

The first prong of the *Baxter* test, valid ownership in copyright, requires that the plaintiff own the copyright of the contested work.[47] In *Grand Upright*, the court examined three aspects of proof to determine that the plaintiff was the rightful owner: the series of

39. *Id.* at 185.

40. Jeffrey H. Brown, Comment, *"They Don't Make Music the Way They Used To": The Legal Implications of Sampling in Contemporary Music*, 1992 WIS. L. REV. 1941, 1987 (1992).

41. Falstrom, *supra* note 25, at 362.

42. *Id.*

43. 812 F.2d 421 (9th Cir. 1987).

44. *Id.* at 423.

45. *Id.* at 423-24.

46. *Id.*

47. *Id.*

documents evidencing transfer of title to the recording label; the plaintiff's testimony that he wrote the song; and the conduct of defendants in discussing the possible need to obtain a license.[48] Here, Sony/ATV and EMI would have to show that they owned the copyright through those means. Federal law has provided protection for musical compositions since 1831, thus Sony/ATV should be able to establish ownership of a valid copyright upon presenting the proper evidence. However, the Copyright Act does not provide for federal protection in sound recordings made prior to February 15, 1972.[49] Since the Beatles released *The White Album* in the United Kingdom and the United States in late November 1968,[50] the sound recordings were made prior to the effective date for federal protection. Thus, EMI may not be able to prove ownership of a valid copyright.[51] If EMI fails to establish ownership of a valid copyright in the Beatles' sound recordings, the court will grant summary judgment for Burton, since without ownership, there can be no infringement.[52]

Despite the fact that sound recordings fixed prior to 1972 are considered to be in the public domain in the United States, EMI may still be able to avoid summary judgment and prove ownership of a valid copyright under §104A of the Copyright Act. After the United States entered into and enacted the Uruguay Round Agreements, including the World Trade Organization Agreement in January of 1995, Congress enacted §104A of the Copyright Act to provide protection for foreign copyright owners that they may not have previously enjoyed in the United States.[53] In order for EMI to establish valid foreign copyright under §104A, it must show that the Beatles' sound recordings are original works of authorship; that the

48. *Grand Upright*, 780 F. Supp. at 184.

49. JULIE E. COHEN ET AL., COPYRIGHT IN A GLOBAL INFORMATION ECONOMY 437-38 (Aspen L. & Bus. 2002); 17 U.S.C. § 104A(h)(6)(C)(ii); The Sound Recording Amendment of 1971, Pub. L. No. 92-140, 85 Stat. 391.

50. *White Album Facts*, *at* http://www.beatletracks.com/btwhite.html (last visited Apr. 12, 2004).

51. EMI may also attempt to claim that placing digitally re-mastered albums onto CD qualifies as a new sound recording and should thus enjoy protection for when that occurs, however there is no case law on that issue and Burton does claim that he used the original *White Album* as a basis for his work, so claims of copyright in the re-mastered CD would not help EMI.

52. Damiano v. Sony Music Entertainment, 975 F. Supp. 623, 628 (D.N.J. 1996).

53. 17 U.S.C.A. § 104A (West 2004); H.R. REP. NO. 103-826(I), *reprinted in* 1994 U.S.C.C.A.N. 3773. In order to be compliant with Berne Convention provisions, which were now enforceable under the TRIPs agreement, any country that denied foreign copyright owners protection due to formalities must restore protection for those works upon meeting the statutory guidelines.

album is still under a valid copyright in Great Britain; and that the recordings are in the public domain in the United States due to lack of protection as a sound recording fixed prior to February 15, 1972.[54] Since Great Britain is a member of the WTO and thus a qualifying country for protection,[55] if EMI can show that there is a valid copyright, the sound recordings should qualify as a restored work under §104A. Upon making this showing, EMI would own valid copyrights in the sound recordings as of January 1, 1996, and that protection would continue for the duration of the copyright from when it began in 1968.[56] If EMI cannot show that it owns valid copyrights in the sound recordings under §104A, it may still bring an action under any state law that provides protection for sound recordings prior to February 1972.[57] Under this assumption and since Sony/ATV has valid ownership in the compositions, the plaintiffs will be able to satisfy the first prong of the *Baxter* test.

Upon successfully establishing proof of ownership, Sony/ATV and EMI will then have the burden to show that Burton did in fact copy the music from *The White Album* and that the copying was substantial enough to constitute improper appropriation from the album.[58] In *Jarvis v. A&M Records*,[59] the defendants admitted to actually copying the plaintiff's sample and did not ask permission to do so. Similarly, Burton did not ask for permission and admitted as much in a press release he submitted in response to the Grey Tuesday protest.[60] Thus, as in *Jarvis*, Burton directly admitted that he copied from the plaintiff's recordings without authorization and that admission alone is enough to establish that Burton copied in fact.[61] While vital to the question of misappropriation, in determining the issue of whether the defendant in fact copied the plaintiff's work, the permission, or lack thereof, of the copyright owner is not important. The very nature of sampling will "often present cases where the degree of similarity is high, indeed, unless the sample has been altered or digitally manipulated, it will be identical to the original."[62]

54. 17 U.S.C. § 104A(h)(6) (2003).

55. *See id.* § 104A(h)(3).

56. *See id.* § 104A(a). For the purposes of this paper, it is assumed that EMI will be successful in proving ownership in foreign copyright under §104A.

57. 17 U.S.C. § 301(c) (2003).

58. Hofmann v. Pressman Toy Corp., 790 F. Supp. 498, 505 (1990).

59. 827 F. Supp. 282 (1993).

60. http://www.waxploitation.com/html/news_greytuesday.html (Feb. 23, 2004).

61. *Jarvis*, 827 F. Supp at 289.

62. Newton v. Diamond, 349 F.3d 591, 596 (9th Cir. 2003). In fact, the court in *Jarvis* went so far as to state that "the copied parts could not be more similar—they were

Thus, in most infringement cases involving sampling, proving actual copying will be very easy to establish. However, "the law is generally well settled that the simple fact of a copying is not enough to prove an improper appropriation."[63]

To determine improper appropriation, courts look for substantial similarity between the contested works. Generally, in copyright infringement actions, a good test for the courts to follow is an extrinsic/intrinsic analysis based on the decision in *Sid & Marty Krofft Television Productions v. McDonald's Corporation*.[64] The extrinsic portion focuses on the similarities in ideas between the two works using expert testimony.[65] In determining whether two musical compositions are similar in idea, the expert witness will consider factors that pertain to musical theory, which may include the metric structure (including any unconventional rhythms) of the original work and whether the defendant copied that structure; whether the original has an apparent error that is copied by the defendant; whether similar sections of the contested works are particularly intricate; and whether there are instances in the music that would indicate an effort to give the appearance of dissimilarity.[66] If the extrinsic portion sufficiently reveals that there is substantial similarity in the ideas of the two songs, the court will then turn to an intrinsic analysis based solely on the subjective response of the ordinary listener.[67] However, since samples directly copy the original work, the ideas will be identical. Therefore, in cases involving samples, the courts do not need to undergo such an extended analysis. Instead, the courts will focus on whether the similarity is only to nonessential matters, or whether there was some substantial lifting of the plaintiff's work using a "fragmented literal similarity" test.[68]

Fragmented literal similarity exists when the defendant copies a portion of the plaintiff's work exactly, or nearly exactly, without appropriating the work's overall essence or structure.[69] With regard to copyright infringement, the proper inquiry in cases involving fragmented literal similarity is whether the "value of the original

digitally copied from the plaintiff's recording." 827 F. Supp. at 289.

63. *Jarvis*, 827 F. Supp. at 288 n.2.

64. 562 F.2d 1157 (9th Cir. 1977).

65. *Id.* at 1164.

66. Selle v. Gibb, 741 F.2d 896, 903-905 (7th Cir. 1984).

67. *Krofft*, 562 F.2d at 1164.

68. 4 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT, §13.03[A][2] (2004).

69. *Id.*

work is substantially diminished; even when only a part of it is copied, if that part that is copied is of great qualitative importance to the work as a whole."[70] The court evaluates this standard through the response of an ordinary layperson of the intended audience for the works.[71] Works are considered to be substantially similar where the "ordinary observer, unless he set out to detect the disparities, would be disposed to overlook them, and regard the aesthetic appeal of the two works as the same."[72] The rationale behind this test is that "a defendant should not be held liable for infringement unless he copied a substantial portion of the complaining work and there exists a sort of aural similarity between the two works that a lay audience would detect."[73] Thus, the relevant issue is whether "so much is taken that the value of the original is sensibly diminished, or the labors of the original author are substantially, to an injurious extent, appropriated by another."[74] Essentially, the courts will look to determine whether the sample taken was qualitatively important to the work (i.e., of substantial value to that work) or that the defendant took too much of the original work. This qualitative/quantitative analysis attempts to ensure that the copying does not diminish the plaintiff's work. If the sample taken is "sufficiently distinctive, it is copyrightable" and thus protectible.[75] Since defendants generally only take a small portion of the work when sampling, it seems that the courts tend to focus more on the qualitative aspect of the work taken, as opposed to the quantitative.

Whether the court will find substantial similarity is a question left up to the fact finder in each individual case. As the entire *Grey Album*'s musical content is taken directly from *The White Album*, the jury would have to listen to each individual song on the album and compare them to each song that EMI and Sony/ATV claims is infringed in that particular song. As previously mentioned, the quantity taken in most sampling cases is not as important as whether

70. *Jarvis*, 827 F. Supp. at 291 (quoting Werlin v. Readers Digest Association, 528 F. Supp. 451, 463 (S.D.N.Y. 1981)).

71. *Id.* at 290 (citing Arnstein v. Porter, 154 F.2d 464 (2d Cir. 1946)).

72. Castle Rock Entm't v. Carol Publ'g Group, 150 F.3d 132 (2d Cir. 1998) (quoting Arica Institute v. Palmer, 970 F.2d 1067, 1072 (2d Cir. 1992)).

73. *Jarvis*, 827 F. Supp. at 290 (citing J. Sherman, *Musical Copyright Infringement: The Requirement of Substantial Similarity*, Common Law Symposium, No. 92, ASCAP, p. 145 (1977)).

74. *Newton*, 349 F.3d at 596-97 (quoting Folsom v. Marsh, 9 F. Cas. 342, 348 (C.C. Mass 1841)).

75. *Jarvis*, 827 F. Supp. at 292.

the value of the "work is substantially diminished by the copying."[76] Thus, the jury will have to determine in each *Grey Album* song what was copied and whether the pieces copied were substantial enough to diminish the value of the Beatles' work.

Most of the songs on *The Grey Album* evoke some reference from an individual song from *The White Album*, such as "Dirt off Your Shoulder" (begins with the opening strum and some vocals from the track "Julia"), and "Encore" (opens with the riff from "While My Guitar Gently Weeps"). Since Burton intended the samples to be recognized, the jury will easily recognize them and find them to be substantially similar. However, in other tracks such as "My 1st Song" and "99 Problems," the samples taken are not as easily recognizable and in most instances are altered completely to mesh with the flow of the lyrics. The Court in *Jarvis* stated that if a particular sample taken is distinctive or attention-grabbing, it will be considered original and of substantial value to the work.[77] Under this low threshold and absent finding a relevant affirmative defense, if the jury hears even one distinctive sample on any *Grey Album* song, regardless of its length, it will be enough to find that song infringing of *White Album* copyrights.

D. Affirmative Defenses

Even if the jury finds a particular sample to be sufficiently original to merit copyright protection, Burton may still avoid liability if the sample is deemed to be a *de minimis* taking.[78] The *de minimis* defense operates under the rationale of the legal maxim *"de minimis non curat lex,"* which is often translated as "the law does not concern itself with trifles."[79] Under this standard, no liability will be found upon a showing that the replication is so "trivial as to fall below the quantitative threshold of substantial similarity."[80] A use will be deemed *de minimis* "only if the average audience would not recognize

76. *Id.* at 291.

77. *Id.* at 292. There, the Court found that the "oohs," "moves," and "free your body" refrains in the bridge of the Plaintiff Jarvis's song, as well as the distinctive combination of notes in the sampled keyboard riff, were sufficiently distinctive and attention grabbing and thus valuable enough to deserve protection as original expression. The court therefore denied the defendant's motion for summary judgment as to liability on Jarvis's infringement claim. The case was remanded, as fact-finding was still necessary to determine whether the sample was substantial enough to constitute infringement.

78. *Newton*, 349 F.3d at 594.

79. *Id.* (citing Ringgold v. Black Entertainment Television, Inc., 126 F.3d 70, 74-75 (2nd Cir. 1997)).

80. 26 AM. JUR. 3D *Proof of Facts* § 537, *De Minimis Defense* at §28 (2003).

the appropriation," since the lack of recognition will show that the works are not substantially similar.[81] However, even if the sample is very small, if it still holds qualitative value under the standard espoused in *Jarvis,* the court will not deem the use de minimis.[82] From the perspective of the music industry, taking a sample and changing it to the point where it is no longer recognizable, does not even constitute sampling.[83] Thus, in certain tracks such as "99 Problems" and "My 1st Song," Burton could claim that the samples are no longer recognizable and thus exempt from liability under the *de minimis* defense, but that depends on the jury's perception. Furthermore, other than those two songs, almost every other song on *The Grey Album* has an extended introduction that directly evokes references to the song on *The White Album* from which Burton based that track. Thus, the de minimis defense will probably be of little use, if any, for Burton.

Provided that Sony/ATV and EMI can establish a case for infringement, Burton could also attempt to utilize the fair use doctrine as an affirmative defense. The fair use defense grants the user the privilege to use copyrighted material, without the copyright owner's consent, for purposes such as criticism and commentary.[84] The rationale behind permitting such a use is recognition that there will be certain situations "in which strict enforcement of the copyright monopoly would inhibit the very 'Progress of Science and useful Arts'[85] that copyright is intended to promote," and in such cases the secondary user should be permitted to use the work for the public good.[86] Thus, when a "court views a particular use of a copyrighted work as being socially desirable, it will deem the use 'fair' and insulate the user from liability to the copyright owner,"[87] provided the use does not excessively diminish the copyright owner's economic

81. *Newton,* 349 F.3d at 594 (citing Fisher v. Dees, 794 F.2d 432, 434 n.2 (9th Cir. 1986). In *Fisher*, the court stated that "a taking is considered de minimis only if it is so meager and fragmentary that the average audience would not recognize the appropriation."

82. 26 AM. JUR. 3D *Proof of Facts* § 537, at § 28, *De Minimis Defense* (2003).

83. Szymanski, *supra* note 21, at 325 (citing an interview with Nick Pappas, sound engineer, Harvard Law student).

84. Paul Tager Lehr, *The Fair Use Doctrine Before and After "Pretty Woman's" Unworkable Framework: The Adjustable Tool for Censoring Distasteful Parody*, 46 FLA. L. REV. 443, 452 (1994).

85. U.S. CONST., Art. I, § 8, cl. 8.

86. *Sony Corp. of Am. v. Universal City Studios*, 464 U.S. 417, 477-78 (1984) (Blackmun, J., dissenting) (citations omitted).

87. Szymanski, *supra* note 21, at 312.

incentive for creativity. The doctrine, applied on a case-by-case basis, essentially permits courts to avoid rigid application of copyright law when it would stifle the "very creativity which that law is designed to protect."[88] If Burton can successfully qualify his work as a fair use, he will have a complete defense against EMI and Sony/ATV's infringement claims.[89] In determining fair use, the court will consider four non-exclusive factors: "the purpose and character of the use (including whether it is of a commercial nature or for education purposes); the nature of the copyrighted work; the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and the effect of the use upon the potential market for or value of the copyrighted work."[90] Generally, in the context of the music industry, "most judges focus on whether the song in question comments on or criticizes the original. If so, and only if so, the work" will be legally protected as a fair use.[91]

The first factor, character and purpose of the use, looks at the secondary user's reason for appropriating the underlying work, focusing on whether the use is for profit and whether the use was primarily for public benefit or private commercial gain.[92] Burton made *The Grey Album* as a promotional work that he distributed to music stores, so he did have a commercial motive in sampling *The White Album*. However, besides looking at the underlying motives of the secondary user, the court must also determine whether the use adds something new to the prior expression. In *Campbell v. Acuff-Rose Music,*[93] the Court stated that although the commercial motive of the use weighs against finding a fair use under this factor, the true purpose of the factor is to determine "whether and to what extent the new work is 'transformative.'"[94] Thus, the more that the secondary user adds to and/or changes the original work, the less the other factors will weigh against a finding of fair use.[95] In *Campbell*, the Court found that sampling a work for the purposes of creating a parody of it was permissible as a fair use, despite the commercial

88. Lehr, *supra* note 84, at 453.

89. 17 U.S.C. § 107 (2003).

90. *Id.*

91. Madeleine Baran, *Copyright and Music: A History Told in MP3's*, *at* http://www.illegal-art.org/audio/historic.html.

92. 26 AM. JUR. 3D *Proof of Facts* § 537, at § 25, *Fair Use* (2003).

93. 510 U.S. 569 (1994).

94. *Id.* at 579.

95. *Id.* at 579 (citing Sony Corp. of America v. Universal City Studios, Inc., 478-80 (1984) (Blackmun, J., dissenting)).

intentions of the defendant.[96] In finding that parody constituted an admissible fair use under the first factor, the Court in *Campbell* stated that the transformative value can be measured by determining "whether the new work merely supercede[s] the objects of the original creation . . . or instead adds something new with a purpose or different character, altering the first with new expression, meaning or message."[97] Generally, artists use samples to create a new work that varies from the original; however, it is "unclear whether sampling a non-parodic commercial use of a recognizable sample could also be sufficiently 'transformative' to escape liability."[98] In determining whether the use is sufficiently transformative, courts may consider factors such as the duration of the sample; the content of the sample (is it a distinctive "hook" or merely a background element?); and whether the sample is essential to the composition, or could the work stand on its own without it.[99] Although *The Grey Album* completely changes the nature of *The White Album* and is thus highly transformative, it is unlikely that a court would find a fair use under the first factor. In his concurring opinion in *Campbell*, Justice Kennedy stated that "almost any revamped modern version of a familiar composition can be construed as a 'comment on the naiveté of the original' because of the difference in style and because it will be amusing to hear how the old tune sounds in a new genre."[100] Despite this view, the courts must still take into account the copyright owner's economic incentive to create. In fear of weakening copyright protection too much, Kennedy stated that he would not support extending fair use to those who "place the characters from a familiar work in novel or eccentric poses."[101] This view would suggest that "Justice Kennedy would probably not find the recontextualization of samples sufficiently transformative to warrant fair use protection," since it would seem to allow any weak transformation to qualify as parody or comment.[102] Since Kennedy's view is not binding precedent, a court could find Burton's album does significantly add something to *The White Album*, however, since most view unauthorized sampling

96. *Id.* at 594.

97. *Id.* at 579.

98. Szymanski, *supra* note 21, at 313-14.

99. *Id.* (citing A. Dean Johnson, *Music Copyrights: The Need for Appropriate Fair Use Analysis in Digital Sampling Infringement Suits*, 21 FLA. ST. U. L. REV. 135, 148-49 (1993)).

100. *Campbell*, 510 U.S. at 599.

101. *Id.*

102. Szymanski, *supra* note 21, at 315.

equivalent to stealing, Kennedy's view will probably prevail. Since *The Grey Album* was a commercial product, not intended as a work of criticism or parody, but rather a homage to the Beatles that was done without permission, it is unlikely that a court will find the nature and purpose of Burton's use to be fair under factor one.

The second factor looks to the nature of the underlying copyrighted work. An important distinction under this category is whether the underlying work is of a highly factual and utilitarian nature (thus, it generally only receives "thin" copyright protection), or is a work at the "core" (i.e., intended to receive full protection; highly creative works) of the Copyright Act.[103] Since musical works are highly creative endeavors, and since samples derive from these expressive musical works, the second factor tends to weigh heavily against a finding of fair use.[104] While it may be argued that the secondary user also utilizes a great degree of creativity in determining which samples to use and where to place them in the context of their work, the factor does not look to what the sampling artist did, but rather to what type of work he utilized. As it is uncontested that musical works are highly creative, this factor will probably weigh against a finding that Burton's use of *The White Album* was fair.

The third factor requires the court to determine how much Burton took from *The White Album* in relation to the work as a whole. This factor relates to the first fair use factor "insofar as the extent of permissible copying varies with the purpose and character of the use."[105] In situations such as parodies, the courts will allow the sampler to take as much of the work as is required to effectively "recall or conjure up" the object of satire.[106] While parodists will be allowed to take more of the work than in other instances, the court still ensures that they take no more than is absolutely necessary.[107] In

103. *See generally*, Sega Enterprises v. Accolade, 977 F. 2d 1510 (9th Cir. 1993); *Campbell*, 510 U.S. 569. In those two decisions, the court pointed out that as a general rule, artistic works are afforded greater protection than works of fact.

104. Szymanski, *supra* note 21, at 316.

105. *Id.* at 317.

106. Berlin v. E.C. Publ'ns, 329 F.2d 541 (2d Cir. 1964), *cert. denied*, 379 U.S. 822 (1964).

107. *See Berlin*, 329 F.2d 541 (finding that Mad Magazine's book of humorous lyrics sung to the tune of certain Irving Berlin songs and other composers was a fair use); Benny v. Loew's Inc., 239 F.2d 532 (9th Cir. 1956) (finding the comedian Jack Benny's use of the film "Autolight" in his parody "Gaslight" took too much of the original and so found no fair use); Walt Disney Productions v. Air Pirates, 581 F.2d 751 (9th Cir. 1978) (finding the Air Pirates copying of the actual design of the characters was so substantial as to preclude a fair use); Elsmer Music v. National Broadcasting Co., 623 F.2d 252 (2d Cir. 1980) (finding that although the parody copied the "heart of the composition" it did not take

the context of sampling for purposes other than parodies, this factor is unpredictable, since the Copyright Act does not specify what amount will be considered unlawful copying. The *Campbell* Court stated that if the secondary work does not comment or critique the original in some manner, then there would be less of a justification for the use since the use "has no critical bearing on the substance or style of the original composition. The claim to fairness in borrowing from another's work [thus] diminishes accordingly, and other factors, like the extent of its commerciality, loom larger."[108] If the courts are careful not to allow parodists to take more of a work than is absolutely necessary, then in a situation such as Burton's, where Burton utilized the entire *White Album* without authorization, it is unlikely that the court would find the amount that he used "fair."

The fourth factor addresses the potential harm for the copyright holder and the harm to the market for derivative works, which most courts consider to be "the single most important element of fair use."[109] Under this factor, the proper examination is whether the secondary use fulfills the demand for the original, not whether it competes in the same market or reduces the market for the original."[110] Therefore, "most courts base their evaluations upon the concept of the normal market for the copyrighted work—that is, those uses that a copyright owner could reasonably be expected to make or license others to make."[111] *The Grey Album* is not likely to supplant sales of *The White Album* directly, since it is only sampling the music and is in a completely different style. If anything, it would probably be beneficial to the Beatles' direct market since "sampling often generates a renewed interest in a sampled artist and thereby boosts, rather than undermines, the record sales of that artist."[112] While direct market substitution is unlikely and possibly beneficial, the impact on derivative markets is much less favorable. As one of the most popular bands ever, the Beatles have always been culturally relevant, and under current industry standards, want the ability to control who samples their music through licenses.[113] Copyright owners

more than was necessary to do so and found fair use).

108. *Campbell,* 510 U.S. at 581.

109. Harper & Row Publishers, Inc. v. Nation Enters., 471 U.S. 539, 566 (1985).

110. *Fisher*, 794 F.2d at 438.

111. Szymanski, *supra* note 21, at 318-19.

112. *Id.* at 321 (citing Jeffrey H. Brown, Comment, *"They Don't Make Music the Way They Used To": The Legal Implications of Sampling in Contemporary Music*, 1992 WIS. L. REV. 1941, 1944 (1992)).

113. To my knowledge, there is not a single instance where the Beatles have allowed their work to be sampled.

enjoy the exclusive right to control adaptations of their work,[114] and since courts view unlicensed sampling as theft,[115] it is likely that a court would find Burton's sampling to negatively affect EMI and Sony/ATV's ability to license their work (if they even wanted to) for use in the derivative market of hip hop. If the court were to allow a fair use here, then others would just sample the Beatles' music without asking permission, since it would be cheaper than negotiating and paying for a license to use the work. Furthermore, allowing unlicensed sampling as a fair use in this context would substantially inhibit EMI and Sony/ATV's ability to control adaptations of their work, which is in direct conflict with the exclusive rights granted to them under the Copyright Act.

Since Burton made *The Grey Album* in order to make a profit[116] and took substantial portions of *The White Album,* which will probably result in substantial harm to derivative markets, it is unlikely that a court will find that Burton's sampling constitutes a fair use. Burton utilized the *entire* musical contents of *The White Album* and left long, unchanged portions of the work in most of his songs. Since courts will likely not view this type of sampling as *de minimis*, it is unlikely that Burton will be able to escape liability for infringement under current legal precedent. As the court in *Jarvis* points out, assuming a showing of illegal appropriation, "if a defendant admits to using copyrighted material, that alone would make the defendant liable for copyright infringement absent the owner's authorization."[117] The *Jarvis* decision is based on the ruling in *Grand Upright* and as such, the fact that Burton did not seek authorization before creating *The Grey Album* means that he would likely be found liable to EMI and Sony/ATV for copyright infringement.

II. Grey Tuesday

A. The Infringement Actions

If a court were to find that *The Grey Album* infringes Sony/ATV and EMI copyrights, the focus would then turn to whether the "Grey

114. 17 U.S.C. § 106(2) (2003).

115. *See Grand Upright*, 780 F. Supp. at 184.

116. Desire to make a profit alone is not dispositive, but does seem to carry great weight in the court's analysis.

117. *Jarvis*, 827 F. Supp. at 289 (citing Fitzgerald Publ'g Co. v. Baylor Publ'g Co., 807 F.2d 1110, 1113 (2d Cir. 1986)).

Tuesday" protestors'[118] actions also constituted infringement. Specifically, a court would need to determine if the protestors were directly infringing Sony/ATV and EMI's reproduction rights and if they were contributorily and vicariously liable to Sony/ATV and EMI for providing the means for others to download *The Grey Album.*

Under current law, since *The Grey Album* illegally reproduces copyrighted material from *The White Album*, it will be considered an infringing use and any further reproductions of *The Grey Album* would also be considered unlawful. Under *MAI Systems Corporation v. Peak Computer,*[119] a reproduction (copy) will occur when a work is uploaded into a computer's Random Access Memory (RAM) and "in the absence of ownership of the copyright or express permission by license, such acts constitute copyright infringement."[120] By placing *The Grey Album* on their websites, the protestors uploaded copies of it into their RAM, thus reproducing it. Furthermore, in *A&M Records v. Napster,*[121] it was undisputed that the uploading and downloading of copyrighted music constitutes an unlawful reproduction absent authorization.[122] Since the protestors uploaded copies, the facts are the same as those in *Napster.* Thus, under *MAI* and *Napster*, the placement of an infringing work such as *The Grey Album* on a website constitutes an unlawful reproduction, and the protestors will likely be liable for direct infringement of Sony/ATV and EMI's reproduction rights.

Besides being liable for direct infringement, Sony/ATV and EMI will want to claim that the protestors also helped facilitate others to make unlawful reproductions and so should be held contributorily and vicariously liable. In order for the protestors to be found contributorily and/or vicariously liable, Sony/ATV and EMI must first demonstrate that those who downloaded *The Grey Album* off the protestors' web sites were themselves engaged in direct copyright infringement.[123] As previously mentioned, downloading copyrighted music without authorization constitutes infringement.[124] Since the

118. I will refer to the Grey Tuesday protestors as simply "protestors" for the remainder of this article.

119. MAI Systems v. Peak Computer, 991 F.2d 511 (9th Cir. 1993), *cert. dismissed*, 510 U.S. 1033 (1994).

120. *Id.* at 518.

121. 239 F.3d 1004 (9th Cir. 2001) [hereinafter *Napster I*].

122. *Id.* at 1014.

123. Metro-Goldwyn-Mayer Studios v. Grokster, Ltd., 259 F. Supp. 2d 1029, 1034 (2003) (citing A&M Records v. Napster, 239 F.3d at 1013 n.2 ("secondary copyright infringement does not exist in the absence of direct infringement by a third party")).

124. *See supra* notes 121-122.

protestors' placement of *The Grey Album* on their website amounts to an unlawful reproduction, further reproductions by users downloading the album off those sites are also unauthorized reproductions in their computer's RAM. Therefore, anyone who downloads *The Grey Album* off a protesting website would be directly infringing Sony/ATV and EMI copyrights, and as such, claims for contributory and vicarious liability may go forward against the protestors.

To be liable for contributory infringement, the protestors with knowledge of the infringing activity must have induced, caused, or materially contributed to the infringing conduct.[125] Put more succinctly, if the protestors personally engaged in conduct that encouraged or assisted with the infringing act, they are contributing to that infringement.[126] This theory of liability follows from the "notion that one who directly contributes to another's infringement should be held accountable."[127] Thus, Sony/ATV and EMI will have to show that the protestors had knowledge, or reason to know, of the infringing use and induced, caused or materially contributed to that use.[128] If the protestors had actual knowledge of specific acts of infringement at a time when they were materially contributing to it and did not stop it, they will be liable.[129] There is no question that the protestors had actual knowledge of infringing use here, as they purposely made *The Grey Album* available so that others could download it. In making the album available for download, knowing that it would infringe Sony/ATV and EMI copyrights, the protestors did nothing to stop that infringing use and in fact purposely encouraged and facilitated those infringing reproductions. Thus, it is

125. Fonovisa, Inc. v. Cherry Auction, Inc., 76 F.3d 259, 264 (9th Cir. 1996).

126. Matthew Bender & Co. v. West Publ'g Co., 158 F.3d 693, 706 (2d Cir. 1998).

127. *Fonovisa*, 76 F.3d at 264.

128. It should be noted that there is a split in the circuits on the requisite type of knowledge necessary in determining contributory infringement in the context of online applications. The Ninth Circuit in *Napster I* stated that actual knowledge of specific infringing uses is a sufficient condition for deeming a facilitator a contributory infringer, 239 F.3d at 1021 (citing Religious Tech. Ctr. v. Netcom On-Line Communications Servs., Inc., 907 F. Supp. 1361 (N.D. Cal. 1995) (claiming that "in an online context, evidence of actual knowledge of specific acts of infringement is required to hold a computer system operator liable")). However, the Seventh Circuit disagreed with this finding in *In Re Aimster Litigation*, 334 F.3d 643, 649 (2003), claiming that actual knowledge was not enough to find contributory infringement rather, actual knowledge is merely a factor that will weigh heavily against the defendant. In both circuits, actual knowledge of an infringing use requires the alleged contributory infringer to take steps to stop that infringing use. This paper will follow the reasoning set forth in *Napster I* since most of the precedent cited in this paper has come from the Ninth Circuit.

129. *Grokster*, 259 F. Supp. 2d at 1038.

likely that absent a finding of fair use, the protestors will be contributorily liable.

In the context of copyright law, vicarious liability rests on the notion that where a defendant "has the right and ability to supervise the infringing activity and also has a direct financial interest in such activities," they should be answerable for aiding the infringing act.[130] To be vicariously liable, the protestors must derive a direct financial benefit from the infringing activity and have the right and ability to supervise (and thus stop) that activity.[131] Unlike contributory infringement, no knowledge of the infringement is necessary.[132] In proving a direct financial benefit, an actual show of profit is not necessary; a showing that the infringing act serves as a draw for attracting customers will also suffice.[133] The protestors were not attempting to make any money by posting *The Grey Album*; rather, they posted the album as a criticism of the music industry. As such, the protestors were not expecting to, nor did they, derive any financial benefit from their act of civil disobedience. Since there was no financial benefit gained by the protestors, they cannot be vicariously liable, regardless of whether they had the ability to control the infringing activity.

B. Fair Use Defense

While it is likely that Sony/ATV and EMI will be able to establish that the protestors directly and contributorily infringed their copyrights, the fair use doctrine may still shield them from liability. Recall that in determining whether a use is fair, the courts will consider the purpose and character of the use, the nature of the copyrighted work, the amount and substantiality taken from the underlying work, and the potential effects on the market of the copyrighted work.[134] The Copyright Act specifically mentions that uses for the purposes of criticizing or commenting prior works, or society in general, are generally permissible.[135]

In looking at the purpose and character of the use, the protestors claim they uploaded *The Grey Album* to "draw attention to 'how the

130. *Napster I*, 239 F.3d at 1022 (quoting Gershwin Publ'g Corp. v. Columbia Artists Mgmt., F.2d 1159, 1162 (9th Cir. 1996)).

131. *MGM Studios*, 259 F. Supp. 2d at 1043.

132. Adobe Systems, Inc. v. Canus Productions Inc., 173 F. Supp. 2d 1044, 1049 (C.D. Cal. 2001) ("Lack of knowledge of the infringement is irrelevant").

133. *A&M Records*, 239 F.3d at 1023 (citing *Fonovisa*, 76 F.3d at 263-64).

134. 17 U.S.C. § 107.

135. *Id.*

major labels stifle creativity and try to manipulate the public's access to music.'"[136] The protestors did not attempt to garner any commercial benefit from this act; rather, they were concerned that the music industry was using copyright law as a means of exerting control over what music can be created and released.[137] Generally, when copyright owners decline to issue licenses of their work, the secondary user must either forego the use of that work or do so at the risk of an infringement action. Since copyright owners will generally not issue licenses for uses that protest or criticize their work, the fair use doctrine has historically been applied so that others may criticize works without facing liability. Grey Tuesday was done for the purpose of criticizing how the record industry uses copyright law to stymie new kinds of musical creativity and not for financial gain. Since the use was for criticism and not commercial in nature, a court will probably find for the protestors under the first factor.

As discussed below, *The Grey Album* is likely an infringement of *The White Album* copyrights, and since *The White Album* is a highly expressive work, the second factor usually tends to weigh heavily against a finding of fair use. However, in the context of parodies, the second factor is never "likely to help much in separating the fair use sheep from the infringing goats . . . since parodies almost invariably copy publicly known, expressive works."[138] The Court in *Campbell* realized that parodies rely on using some elements of the copyrighted work in order to criticize it, thus for the parody to be successful, the public must be familiar with the original.[139] In this context, if there were a presumption against fair use because the work was creative, there could be no fair use for parodies, which is wrong, since all types of works should be subject to criticism.[140] Copyright law "is intended to increase and not to impede the harvest of knowledge;"[141] by allowing courts to deem critical works a fair use, authors are prevented from "usurping entire realms of thought" and this serves copyright's purpose of maximizing information and encouraging creativity.[142] While *The Grey Album* is not a parody, nor was Grey Tuesday a parody of *The White Album*, the protest did intend to

136. *Dangermouse Responds to Controversial 'Grey Tuesday,'* at http://www.waxploitation.com/html/news_greytuesday.html (Feb. 23, 2004).

137. *See* Shachtman, *supra* note 12.

138. *Campbell*, 510 U.S. at 586.

139. *Id.* at 580.

140. Lehr, *supra* note 84, at 481 n.196.

141. *Harper*, 471 U.S. at 545.

142. Lehr, *supra* note 84, at 451 (citations omitted).

criticize the copyright owners of *The White Album* and the music industry in general. Since copyright law considers criticism an important means of increasing public knowledge, the second factor should weigh in favor of finding the protestors' posting of *The Grey Album* fair.

While *The Grey Album* is a transformative use and not a wholesale copy of *The White Album*, it still seems that courts will not find that use to be fair since Burton took a substantial amount of the album without permission and was not criticizing or commenting on the work. In posting the entire potentially infringing album, the protestors were taking the same amount as Burton. However, the protestors were not doing so for a commercial purpose, rather they were protesting the fact that it is unfair and illegal for Burton to create such a transformative use. In *Campbell*, the court found that while the parody took the heart of the work, the defendants also added something to the work, making it a beneficial contribution to society.[143] Here, the protestors are claiming that Burton's transformative work is also beneficial to society and should be available to the public. The protestors could argue that by posting the album, they were attempting to encourage discourse on the laws of sampling and its flaws. Criticism is a means of building public knowledge and learning from past mistakes. Allowing the protestors to post *The Grey Album* in order to encourage such dialogue would further the goals of copyright law. If a court were to find that the protestors took too substantial an amount of the work, it would hinder a finding of fair use and thus encumber the pursuit of the goals that copyright law attempts to espouse.

In determining the effect on potential markets that posting *The Grey Album* will have on Sony/ATV and EMI, it has already been noted that downloads of *The Grey Album* do not substitute for purchases of *The White Album*. Furthermore, the protest only took place for a twenty-four-hour period, after which users were no longer able to download the album.[144] Since the protest lasted for only a finite amount of time, and since there is likely no direct effect on *White Album* purchases, it is likely that a court would not find that

143. *Campbell*, 510 U.S. at 587.

144. The website (http://www.greytuesday.org) stated that the protest was only to last for twenty-four hours. Many of the websites listed on there as participating in the protest are no longer even accessible through that site and many of the others that I randomly checked no longer have the album available for download. It would thus seem that the album was only available for that limited period of time, although it may still be possible to download the album at other sites, such as http://bannedmusic.org.

the protestors substantially affected *White Album* markets in any meaningful way.

While *The Grey Album* itself is probably an infringing use of copyrighted *White Album* material, there is a good possibility that the Grey Tuesday protestors have a credible fair use defense for their actions. It is important to note however, that while the protestors were criticizing the music industry and Sony/ATV and EMI, they were doing so through illegal means. A court may feel that since *The Grey Album* is an infringing work, furthering distribution of that work is exactly what copyright law is intended to protect against. However, the fair use doctrine is available so that otherwise illegal activity is permissible when it is beneficial to society and does not overly impinge on the copyright owner's economic incentives to create. The Beatles are a music group of the past that is not creating music anymore. Sony/ATV and EMI are merely attempting to keep all economic benefits of *The White Album* to themselves. While the actual creation and distribution may directly impinge on Sony/ATV and EMI's economic interests, posting the album for twenty-four hours in protest does not. Therefore, the fair use doctrine should shield the Grey Tuesday protestors from liability since they are attempting to create discussion on whether current sampling laws are properly serving the purposes of copyright law.

III. Are Current Sampling Laws Correct?

A. The Purposes of Copyright Law and the Sampling Dilemma

The Copyright Act looks to balance the competing interests of ensuring progress of science and the arts through widespread public dissemination of ideas and expressions while ensuring that authors will have exclusive economic rights in their works as incentive to create the expressions that ensure this progress. Since copyright law looks to promote the development of new ideas, authors' rights must be limited to ensure that the "pool of creative works"[145] is not stifled through monopolies in ideas. All creative works are derivative in the sense that they build on preexisting ideas and expressions. "New thoughts or inventions owe their existence to what has come before. Indeed, 'the world goes ahead because each of us builds on the work of our predecessors.'"[146] Courts are often plagued with this difficult

145. Lehr, *supra* note 84, at 451.

146. *Id.* at 450 (citing and quoting Zechariah Chafee, Jr., *Reflections on the Law of Copyright: I*, 45 COLUM. L. REV. 503, 511 (1945)).

question of when to protect prior authors and when to allow new works to develop free of interference from copyright owners.

This dilemma is especially visible in situations involving sampled music. Sampling poses a predicament in that the desire of musicians to capitalize on markets created by their work conflicts with the "vitality of an art form that thrives on appropriating as much of what preceded it as possible."[147] The philosophy behind sampling is that it reduces studio and musician costs, since producers do not have to hire musicians and do numerous takes to evoke a sound that another already created elsewhere. Sampling also allows artists to take prior works and create new music that perhaps the original authors never dreamed possible, including remixing old songs to sound like something completely new, such as what Burton did with *The Grey Album*. Entirely new genres of music have developed because of the practice of sampling, including hip hop, electronica, and other forms of dance music. Some even claim that sampling music, such as *The Grey Album*, is a form of art similar to what collagists do with paintings and photographs.[148] Conversely, even if sampling has artistic value, many feel that artists should still compensate those prior musicians that created the work, as it would otherwise be theft.[149] Since sampling was not a common practice when the Congress created the 1976 version of the Copyright Act, no legislative guidance has been set and thus the music industry still faces this dilemma today.

Partly due to the lack of clear-cut congressional guidance and the necessities of the business, the music industry developed an *ad hoc* approach to negotiating licenses that varies from deal to deal.[150] Previous attempts to reach industry-wide procedures and rates have failed, partly due to anti-trust concerns.[151] As a result, licensing deals will vary at each label and with each artist involved. Generally, the record companies place the legal burden of clearing samples on the artists, requiring them to keep track of all samples used and obtain the necessary licenses themselves.[152] The parties will take several factors into account when negotiating the licensing deals:

> [I]ncluding the stature of the sampled artists, the stature of the sampling artist, the success of the sampled song, the duration of the

147. Falstrom, *supra* note 25, at 378.
148. Szymanski, *supra* note 21, at 282-88.
149. *Id.* at 289.
150. *Id.* at 290.
151. *Id.* (citations omitted).
152. *Id.*

> sample, the content of the sample (e.g., is it a distinctive 'hook,' or merely a drum beat?), the context of the sample (e.g., is it essential to the new composition or is it merely atmospheric?), whether the sample will appear in a subsequent promotional video, and so on.[153]

In regards to the underlying musical composition, an artist may agree to buy out the copyright owner for a flat fee, negotiate an agreement whereby the copyright owner receives a royalty off of each record sold, or enter a co-publishing deal where the owner of the sampled composition retains an interest in the work (either legal or financial).[154] When negotiating for rights in the sound recording, sampling artists may buyout the rights to a sample for a lump payment, or pay a royalty to that copyright owner for each record sold.[155]

While this *ad hoc* approach does allow musicians a means to obtain permission to use another artists' work, it does not guarantee that artists will be able to afford licenses as each deal can have drastically varying results. The record industry prefers to solve problems internally, which means that very few cases involving sampling infringement have made it to the courts; while this helps interested parties avoid the prohibitive costs of infringement litigation,[156] it also prohibits courts from providing sorely needed legal guidance and uniform standards for licensing samples.

Of the little guidance that is available in determining legal precedent for infringement cases involving sampling, most cases, if not all, base their decisions on the result reached by the court in *Grand Upright Music.* As noted, many criticize the court in that case for its failure to base the result on any legal standard, relying instead on who owned the copyrights and the religious commandment of "thou shalt not steal." After the court's decision in *Grand Upright*, the counsel for defendant Biz Markie claimed that it would appeal the decision, but the parties reached a settlement for a substantial amount of money, shortly after the case was decided.[157] Considering the opinion's lack of legal application and since the case was never appealed, there was no chance for a reviewing court to then determine whether the decision in *Grand Upright* was proper. The music industry's preference for solving matters internally precluded the courts an opportunity to provide clearer guidance. Subsequent

153. *Id.* at 291.
154. Brown, *supra* note 40, at 1956.
155. *Id.* at 1957.
156. McCullough, *supra* note 26, at 131.
157. Falstrom, *supra* note 25, at 365.

cases, including *Jarvis* and *Newton,* which stand for most of the legal precedent available (and consequently lead to Burton being likely found liable for infringement), have been based on the oversimplified equation of sampling without authorization as stealing. It has been suggested that "rather than assuming that sampling was copyright infringement from the beginning, the court [in *Grand Upright*] should have examined what interests are at stake when a sampler samples, in order to decide when samples rise to the level of actual infringement. The decision rendered all unauthorized sampling legally suspect; no distinction seemingly could be made between small bites and large cuts, between instantly recognizable 'trademarks' and impossibly obscure and mundane banalities."[158] Regardless of the lack of guidelines, Burton may not escape infringement liability, since he took such a substantial portion of *The White Album* without permission. However, many other sampling artists take small amounts of the underlying work and in some instances change the sample completely. Regardless of the nature of the sample taken, the lack of discernable guidelines could have a chilling effect on musicians since they may be afraid to follow through with their artistic visions for fear of someone suing them for copyright infringement.[159]

While any licensing system is better than none at all, the current music copyright structure on which this system is based is criticized for creating too many stakes in each musical work. "Anytime a downstream user reproduces copies or distributes copies of a sound recording, authorization from not only the sound recording copyright owner is needed, but authorization must be obtained from the musical work copyright as well."[160] This dual system of copyrights in

158. *Id.* at 368.

159. Since this paper was written, the Sixth Circuit has come out with the case *Bridgeport Music v. Dimension Films, Inc.,* 2004 WL 1960167 (2004). In *Bridgeport,* the Sixth Circuit, recognizing the lack of bright line rules, attempted to create a rule for digital sampling. The Court felt that the analysis for determining infringement of a musical composition, including *de minimis* considerations, is inappropriate for sound recording infringement and that in 1976 when the current Copyright Act was written, digital sampling was not being done and so there was no legislative guidance on the matter. Stating that it was basing its decision on absolutely no existing legal precedent, and relying on its interpretation of 17 U.S.C. § 114 (which it already admitted did not consider digital sampling), the court held that the owner of the recording has the exclusive right to sample, and that digital sampling is *prima facie* evidence of infringement absent a license, regardless of how small the sample was. The court felt that this would create ease in enforcement and further went on to state that if the music industry had a problem with this ruling, they should go to Congress for a change in legislation. Whether this decision is followed by other circuits remains to be seen.

160. Lydia Pallas Loren, *Untangling the Web of Music Copyrights*, 53 CASE W. RES. L. REV. 673, 697-98 (2003).

any musical work leads to many economic inefficiencies in the music industry marketplace. With so many people having vested interests, downstream users are unable to efficiently obtain the necessary authorizations.[161] In addition, "the divisible yet overlapping rights granted to copyright owners leads to industry gridlock and problems with holdout behavior . . . [T]he demands for payment from the downstream user by too many vested industry players, combined with industry consolidation, result in the price being too high to achieve the goal of copyright."[162] Finally, as presently situated, the collective rights organizations that currently license musical works only have the ability to grant licenses for copyrights in musical compositions, none exist to provide authorization to utilize sound recordings.[163] Thus, transaction costs are continually multiplying since clearances are required from multiple parties before an artist may sample a work, which when attempting to clear multiple samples for a single song is "cumbersome at best and debilitating at worst."[164]

B. Possible Solutions

Many have grappled with this sampling conundrum, but none have come up with a completely viable solution. Some have gone so far as to suggest that in a digital world, copyright law no longer provides any real incentive for creation, since digital technology makes it possible to compensate artists without controls.[165] However, Congress has amended the Copyright Act in the past in reaction to new technological developments (such as the DMCA) and it seems far-fetched that Congress would abolish copyright law altogether in the digital context. Others suggest that due to the "music industry's inability to satisfy the different constituencies of the vested industry players,"[166] Congress should adopt the doctrine of derivative work

161. *Id.* at 698.

162. *Id.*

163. *Id.* at 699.

164. *Id.* at 701 (citing Amy Harmon, *Copyright Hurdles Confront Selling of music on the Internet*, N.Y. TIMES, Sept. 23, 2002, at C1).

165. *See* Raymond Shih Ray Ku, *The Creative Destruction of Copyright: Napster and the New Economics of Digital Technology*, 69 U. CHI. L. REV. 263 (2002). Ku argues that the Internet and digital technology eliminate the public's failure to internalize the cost of distributing intellectual works and that most of the incentive provided by copyright is incentive to distribute as opposed to create. He feels that in a digital world, the costs of creation should be the only costs in making content available to the public, and talent the only barrier to entry since digital information can be transmitted so freely and cheaply.

166. Loren, *supra* note 160, at 702.

independence.[167] This doctrine would merely require the sampler to gain clearance from the owner of the sound recording copyright and no one else, thus making it easier for musicians to gain the necessary clearances.[168] However, even if derivative work independence was accepted, it would not solve the issues raised by sampling, since there would still be no uniform structure for licenses nor any guarantees that the sound recording owner would even grant a license.

Another possible solution to the sampling dilemma would be to embrace a subgenre of fair use analysis in determining to what extent sampling constitutes infringement. Under this proposal, sampling would be defined as "using a machine to convert analog sound waves into digital code, in order to: incorporate the resulting code into an original musical composition; combine resulting codes taken from one or multiple sources to create an original musical composition;" or manipulate the resulting codes for either of those stated purposes.[169] If the court determines a work to be a sample, it should then consider the purpose and character of the use (including whether it is commercial in nature); the amount and substantiality of the portion used; and the effect on the potential markets.[170] Proponents of this system claim it will embrace sampling as an art form (as opposed to merely theft when done without authorization) and will give judges a reference point at which to begin their analysis.[171]

However, many criticize a fair use regime as being at odds with industry custom. Critics claim that since most samples can be readily licensed or re-created in a studio with live musicians, and since most samplers have primarily commercial motivations for using the sample, it is unfair to allow appropriation without paying.[172] Furthermore, "under a fair use regime, nothing could stop all prospective samplers from using the same popular sources at once" thus devaluing the works through oversaturation in the marketplace.[173] Finally, "the

167. *See id.* Derivative Work Independence "provides that the creation of the derivative work (here a sound recording) results in a new and independent property right, free from any pre-existing works that were incorporated into the derivative work." *Id.* at 706.

168. While this is a possibility, the Supreme Court has already previously rejected this doctrine in *Stewart v. Abend*, 495 U.S. 207 (1990), saying that under the 1976 Copyright Act, creators of derivative works only have rights in the work they add to the underlying work [17 U.S.C. § 103], not the entire work.

169. Falstrom, *supra* note 25, at 380.

170. *Id.*

171. *Id.*

172. Szymanski, *supra* note 21, at 331 n.195.

173. *Id.* at 322.

sampling artists could potentially undermine the demand for officially licensed samples of the original artist's work by introducing less-expensive 'knock-off' samples into the market."[174]

The most popularly proposed solution would be to enact a statutory licensing scheme for sampling, similar to the one used for making covers of copyrighted songs.[175] A compulsory licensing scheme for entire compositions has been in place for roughly a century and ensures that once the copyright owner licenses out their work to be covered by another, the copyright owner is compelled to license that work to others.[176] Samples vary drastically in terms of their qualitative value, as there is a major difference between sampling a "hook" and a background element of a song. Considering this notable difference, proponents of a compulsory license structure suggest a multi-tiered payment structure to determine the proper applicable rates.[177] Proponents claim that this system would lower transaction costs and quickly compensate authors through uniform rates.[178] Interestingly, in 1967, when Congress was considering dismissing the compulsory license provisions from the Copyright Act, record industry leaders argued vigorously to retain it, claiming "performers need unhampered access to musical material on non-discriminatory terms."[179] They claimed that the compulsory licensing scheme resulted

174. *Id.*

175. Brown, *supra* note 40, at 1988-89. I would like to point out that there are other considerations involved here. The owner may be more readily amendable to allowing someone to cover a song as it will not necessarily change the underlying song all that much. With sampling, the artist runs a real risk that the underlying music will be substantially changed. This may cause the artist to be less enthusiastic about allowing their work to be sampled, than they may be for licensing a cover. This is an issue that Congress would have to take into consideration when deciding whether to enact a compulsory licensing system.

176. 17 U.S.C. § 115 (2003). Generally, an artist can obtain compulsory license for any song as long as he does not change the "basic melody or fundamental character" of the original. Thus, under the compulsory license scheme, a copyright owner is required to license their composition to any artist who wants to pay for the use of song, after they have initially licensed it to someone. Even if there were a compulsory licensing scheme available for sampling, it would not help Burton as he did not get permission to utilize the Beatles' work—however, he may have, had there been a licensing scheme in place.

177. Brown, *supra* note 40, at 1989.

178. Szymanski, *supra* note 21, at 295.

179. Lawrence Lessig, Keynote Speech at the Hastings Music Law Summit West (Feb. 25, 2004). In Professor Lessig's speech, he pointed out that when Congress first enacted the compulsory licensing scheme, it was in response to the Supreme Court decision in *White-Smith Music Publishing Co. v. Apollo, Co.*, 209 U.S. 1 (1908), where the court ruled that reproduction of the sounds of musical instruments playing copyrighted music is not a reproduction under the Copyright Act. In response, Congress enacted the compulsory license to ensure that others could freely make derivative works of the music, provided

in "an outpouring of recorded music, with the public being given lower prices, improved quality and a greater choice."[180] If compulsory licensing was so beneficial to the music industry in terms of creating new compositions, then under these arguments, a newer form of creating music, such as sampling, would also greatly benefit from uniform rates and schemes.

Although a compulsory licensing scheme seems to pose a quick answer to a difficult situation, there are many drawbacks to enacting such a system. For instance, instituting a multi-tiered system would inevitably involve subjective judgments by the Librarian of Congress and there is no guarantee that those rates will be any less arbitrary than the ones currently set by the music industry.[181] However, while the rates may be somewhat arbitrary, they would at least set a uniform rate at which all parties could initiate future negotiations. Another concern is that "while copyright does not distinguish between copying major and minor talents, the industry's current practice places significant emphasis on the stature of the sampled artist and the success of the sampled song."[182] To some, a compulsory licensing scheme would fail to take this difference in market value of the sample into account and that such distinctions should be left to private negotiation.[183] Another argument against compulsory licensing is that the current compulsory schemes for covers ensure that the fundamental character of the original work is not altered, whereas in the context of sampling, the entire purpose of utilizing the work is to "dislocate [the work] from its original context."[184] Just as in the context of parodies, many artists may resent having their works fundamentally altered and would not want their songs sampled in particular ways. A compulsory licensing system would compel artists to allow samples of their music, even in genres and ways that they may not desire.[185] Finally, the current *ad hoc* system has its own

they paid a fee, thus ensuring that the composers would receive financial benefits for their work. It is also interesting to point out that the arguments surrounding whether it was proper to create a compulsory licensing scheme. One side claimed that it was necessary since player piano manufacturers were stealing composers music without compensating them, while the other side claimed that the player pianos increased demand for the composer's music, thus leading to greater sales of sheet music. It is interesting to note how similar those arguments are to the arguments surrounding sampling and file sharing today.

180. *Id.*

181. Szymanski, *supra* note 21, at 295.

182. *Id.*

183. *Id.* at 295-96.

184. *Id.*

185. *Id.* at n.85.

checks and balances in place to constrain opportunistic behavior since "sampling negotiations typically involve repeat players in a small bargaining community. A publisher's failure to negotiate reasonably will generate disciplinary feedback in the form of negative reputational effects."[186] Despite these drawbacks, the compulsory licensing system has worked in the past to encourage creation of new forms of music. While not perfect, the compulsory licensing system still has a strong structure from which Congress may begin to determine some uniform ground rules.

Conclusion

Copyright law looks to balance authors' economic incentives while encouraging new ideas. While artists such as Burton, who sample whole albums without permission will probably never escape liability, others that sample less should not be held to the same standard. Although the standard should change with the situation, there should still be a system in place to ensure that using a sample is permissible. In the early 1900s, when player pianos and phonographs were first gaining viability in the marketplace, distribution of musical compositions did not enjoy any protection. The laws changed with the 1909 Copyright Act and a limited right through compulsory license was developed to enable others to play compositions, provided that they paid the composer. This unhampered, uniform access allowed the music industry to grow into what it is today and it was all because of new technologies providing better means to accomplish this creative explosion.

Today, artists like DJ Dangermouse are able to take the content that surrounds them and remix it in ways that was never thought possible forty years ago. The explosion of music that the record industry claimed to be occurring in 1967 in defense of the compulsory licensing system is going on again today in the context of sampling. Artists still need unhampered access to build upon and re-express the culture around us with the technology available. Sampling is not verbatim copying, it takes music and builds and re-creates what was there before. Copyright law should allow this re-creation to occur. While many solutions have been offered, none has fully addressed these issues. A compulsory licensing system will at least provide some uniform standards from which the record industry can negotiate their licenses and still ensure that artists will have access to that music, while allowing the original artists to get paid for their creation. Until

186. *Id.* at 297.

Congress specifically addresses the issues surrounding sampling, including inter alia compulsory licensing, the debate will continue with no clear guidance.